

**Attachment I**

**Financial Statements: Income Statement and Balance Sheet**

METRO TELECONNECT COMPANIES, INC.  
INCOME STATEMENT  
Period: 01/01/2000 to 12/31/2000

2000 CURRENT PERIOD  
ACTUALS  
All Cost Centers  
Amount Ratio

SALES

BASIC SERVICE - SALES	\$ 15,535,702.72	77.09
PROCESSING FEES	1,402,164.24	6.96
OPTIONS - SALES	1,641,414.55	8.14
TOLL CHARGES - SALES	830,199.22	4.12
SERVICE FEES - SALES	622,558.19	3.09
DISCOUNTS	(1,813.56)	.01-
BEEPER SERVICE	6,013.28	.03
LNP COST RECOVERY	43,628.84	.22
LATE FEES	61.25	.00
ACCESSORIES	19,521.24	.10
PCS COUPON SALES	54,374.98	.27
IPP FEES	24.50	.00

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TOTAL SALES \$ 20,153,849.45 100.00

COST OF SALES

LINE FEES/AIR TIME	\$ 8,446,631.47	41.91
BEEPER SERVICE	4,804.56	.02
ACCESSORIES/PHONES	55,825.71	.28
COMMISSIONS	1,011,630.05	5.02
REPAIR - CUSTOMER HOMES	1,420.00	.01

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TOTAL COST OF SALES \$ 9,520,311.79 47.24

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GROSS PROFIT \$ 10,633,537.66 52.76

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OPERATING EXPENSES

OUTSIDE SERVICES	204,691.22	1.02
COLLECTION EXPENSE	9,745.76	.05
PRINTING	69,895.12	.35
FREIGHT & POSTAGE	399,860.45	1.98
LABOR	2,915,136.41	14.46
TRAINING & DEVELOPMENT EXPENSE	895.00	.00
CONSULTING FEES	61,889.00	.31
RENT	139,082.87	.69
LEASE EXPENSE	2,793.02	.01
UTILITIES	29,503.22	.15
TELEPHONE	52,825.09	.26
LONG DISTANCE	506,822.42	2.51
REPAIRS & MAINTENANCE	5,509.07	.03
LICENSES	9,578.58	.05
ADVERTISING COSTS	2,303,419.85	11.43
BAD DEBT EXPENSE	4,003,194.91	19.86
GROUP INSURANCE	70,368.96	.35
GENERAL INSURANCE	43,488.77	.22
TRAVEL EXPENSES	31,657.65	.16
MEALS AND ENTERTAINMENT	13,429.88	.07
PAYROLL TAXES	253,767.43	1.26
TAXES - OTHER	17,510.45	.09
CORPORATE INCOME TAX	702.12	.00
COMPUTER EXPENSE	97,067.38	.48
CHARITABLE CONTRIBUTION	20,199.95	.10
INTEREST	70,043.38	.35
S/H INTEREST EXPENSE	383,951.34	1.91
VEHICLE EXPENSE	11,311.37	.06
VEHICLE LEASE	35,546.06	.18
LEGAL & ACCOUNTING	40,341.87	.20
OFFICE EXPENSE	38,987.10	.19
AMORTIZATION EXPENSE	36,327.00	.18
DEPRECIATION EXPENSE	179,593.00	.89
DUES & SUBSCRIPTIONS	20,320.25	.10
PUC/PSC FEES	17,309.81	.09
USF Charges	12,141.18	.06
MISCELLANEOUS EXPENSE	2,337.47	.01
CREDIT CARD FEES	2,244.52	.01
BANK SERVICE FEES	58,816.78	.29
SIMPLE IRA EXPENSE	27,351.46	.14
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TOTAL OPERATING EXPENSES	\$ 12,199,657.17	60.53

OPERATING PROFIT (LOSS)	----- \$ (1,566,119.51)	7.77-
OTHER INCOME (EXPENSE)		
INTEREST INCOME	\$ 27,130.62	.13
INCOME - OTHER	9,154.48	.05
SALE OR DISPOSAL OF ASSETS	(34,587.49)	.17-
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TOTAL OTHER INCOME (EXPENSE)	\$ 1,697.61	.01
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NET INCOME (LOSS)	\$ (1,564,421.90)	7.76-
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METRO TELECONNECT COMPANIES, INC.  
BALANCE SHEET  
As of 12/31/2000

2000  
ACTUALS  
All Cost Centers

ASSETS

CURRENT ASSETS

CASH	\$	501,648.25	
ACCOUNTS RECEIVABLE-CUSTOMERS		4,889,888.17	
ALLOWANCE FOR DOUBTFUL ACCTS.		(3,078,786.65)	
ACCOUNTS RECEIVABLE - AGENTS		513,295.23	
ACCOUNTS RECEIVABLE - VERIZON		228,221.99	
NOTE RECIEVABLE-CUR-SON NGUYEN		5,858.67	
EMPLOYEE ADVANCES		7,601.03	
PREPAID FREIGHT & POSTAGE		3,111.69	
PREPAID RENT		367.11	
PREPAID TAXES		19.23	
PREPAID CORPORATE TAX		2,363.00	
PREPAID OFFICE SUPPLIES		2,019.73	
PREPAID INSURANCE		16,339.85	
PREPAID LINE COST		322,961.12	
PREPAID LOAN PAYMENTS		3,377.82	
PREPAID TELEPHONE SERVICE		1,598.76	
PREPAID MISCELLANEOUS EXPENSE		4,484.00	
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TOTAL CURRENT ASSETS	\$		3,424,369.00

FIXED ASSETS

FIXTURES AND EQUIPMENT		673,992.14	
ACCUMULATED DEPRECIATION		(279,165.00)	
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TOTAL FIXED ASSETS	\$		394,827.14

OTHER ASSETS

NOTE RECIEVABLE-LT-SON NGUYEN	\$	8,501.96	
SECURITY DEPOSIT		49,800.00	
ORGANIZATION EXPENSE		258,043.58	
AQUISITION - AQUITEL COMM.		13,125.00	
LEASEHOLD IMPROVEMENTS		129,182.26	
ACCUMULATED AMORTIZATION		(61,884.00)	
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TOTAL OTHER ASSETS	\$		396,768.80

TOTAL ASSETS	\$		4,215,964.94
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LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE TOTALS	\$	1,938,825.38
DEFERRED REVENUE		2,029,715.41
ACCRUED PAYROLL		63,750.83
A/P AGENTS		2,007.04
LEASES-FULTON BANK		79,075.07
LEASES-TOWN & COUNTRY		5,889.26
CURRENT N/P BRENNER 13334430		7,371.64
CHARITABLE CONTRIBTN - PLEDGED		800.00
OTHER DEDUCTIONS		1,355.29
FEDERAL PAYROLL TAXES		28,544.03
STATE PAYROLL TAXES		3,321.70
LOCAL PAYROLL TAXES		10,219.15
FEDERAL UNEMPLOYMENT TAX		946.31
STATE UNEMPLOYMENT TAX		3,401.71
STATES SALES TAX		36,369.91
EXCISE TAX PAYABLE		57,649.32
MD STATE FRANCHISE TAX		3,942.94
STATES GROSS RECEIPTS TAX		9,302.35
MTA TAX SURCHARGE - NY		8.79
FEDERAL UNIVERSAL SERVICE FUND		12,779.54
CONNECTICUT SERVICE FUND		4,299.40
STATES TRS FUNDS		265.60
STATES 911 SURCHARGES		15,372.97
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TOTAL CURRENT LIABILITIES	\$	4,315,213.64

LONG TERM LIABILITIES

LEASES-FULTON BANK	\$	243,623.73
LEASES-TOWN & COUNTRY		7,843.01
LONG TERM N/P BRENNER 13334430		13,065.30
N/P FARMERS FIRST		347,564.58
N/P - SHAREHOLDERS		1,109,751.33
INT PAYABLE ON SHAREHOLDER N/P		139,818.27
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TOTAL LONG TERM LIABILITIES	\$	1,861,666.22
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TOTAL LIABILITIES	\$	6,176,879.86

EQUITY

ISSUED CAPITAL STOCK	\$	1,000.00
ACCUMULATED ADJUSTMENTS		(305,963.71)
DIVIDEND DISTRIBUTIONS		91,529.31
	\$	(1,564,421.90)

TOTAL EQUITY	\$	(1,960,914.92)
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TOTAL LIABILITIES & EQUITY	\$	4,215,964.94
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